


ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Insurer Name: The Hanover Insurance Company
NAIC Number: 088-22292
Name of Advisory Organization Whose Filing You Are Referencing Not Applicable
Co. Affiliation to Advisory Organization: Member _____ Subscriber _____ Service Purchaser _____
Reference Filing #: _____ Proposed Effective Date: 11/01/2005

Contact Person: Gisa Read

Telephone No: 517-540-4481

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
Homeowners HO 2, 3 HO 4 HO 6	7.0% 0.7% 6.2%	7.9% 0.7% 5.9%					
TOTAL OVERALL EFFECT			6.9%	7.4%			

FILED

By bharrington at 8:45 am, 8/8/05

**PROPERTY & CASUALTY
ARKANSAS INSURANCE DEPARTMENT**

N Apply Loss Cost Factors to Future Filings? (Y or N)
17.2% Estimated Maximum Rate Increase for any Arkansas Insured (%)
-3.4% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

5 Year History

Selected Provision

Year	Policy Count	Rate Change History % Eff. Date	AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio
2000	493	6.0% 11/01/2000	180	776	432.2%	60.7%
2001	560	8.5% 11/01/2001	243	-494	-203.6%	51.6%
2002	1199	12.5% 11/01/2002	592	96	16.2%	47.4%
2003	1665	5.8% 11/01/2003	944	930	98.5%	49.1%
2004	1645	7.0% 11/01/2004	1041	570	54.7%	64.5%

A. Total Production Expense _____
B. General Expense _____
C. Taxes, License & Fees _____
Contingencies _____
E. Other _____
F. TOTAL _____

Allmerica Property/Casualty Companies
Arkansas Homeowners
Calculation of Expected Loss & LAE Ratio

Arkansas Homeowners - All Forms Combined							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Average</u>	<u>Selected Building Provision</u>	<u>Selected Condo/Tenant Provision</u>	<u>Selected All Forms Provision</u>
(1) Commission	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
(2) Contingent Commission	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
(3) General Expense / Other Acq.	11.1%	11.4%	11.3%	11.3%	11.3%	17.7%	11.4%
(4) Taxes, Licenses, and Fees							3.0%
(5) Reinsurance Provision							1.8%
(7) Profit and Contingency							5.8%
(8) TOTAL EXPENSES							39.1%
(9) EXPECTED LOSS & LAE RATIO							60.9%
(10) RATIO OF LAE TO LOSSES	11.7%	13.2%	13.0%	12.6%			13.0%

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